6450-01-P

DEPARTMENT OF ENERGY

10 CFR Part 300

Voluntary Greenhouse Gas Reporting

AGENCY: Office of Policy and International Affairs, Department of Energy

ACTION: Notice of availability and opportunity to comment.

SUMMARY: The Department of Energy (DOE) today gives notice that draft Technical Guidelines for the revised Voluntary Reporting of Greenhouse Gases Program are available for review and comment. DOE will hold a public workshop to receive stakeholder views on the draft Technical Guidelines, as well as the interim final General Guidelines that DOE is publishing in the Rules and Regulations section of today's issue of the Federal Register. In addition, DOE and the United States Department of Agriculture will jointly hold a public workshop to receive stakeholder views on the draft Technical Guidelines for Agriculture and Forestry and related interim final General Guidelines.

DATES: Written comments in response to this notice must be received by May 23, 2005**.** The DOE public workshop will be held on April 26 from 8:00 a.m. to 5:00 p.m. and on April 27, from 8 a.m. to 12 noon. The public workshop on agricultural and forestry issues, jointly sponsored by DOE and the U.S. Department of Agriculture, will be held on May 5, 8:00 am to 5:00 pm.

ADDRESSES: Send e-mail comments to: 1605bguidelines.comments@hq.doe.gov. Alternatively, written comments may be sent to: Mark Friedrichs, PI-40; Office of Policy and International Affairs; U.S. Department of Energy; 1000 Independence Ave., S.W.,

Washington, D.C. 20585. The DOE public workshop will be held at the following location:

Crystal City Marriott Hotel at Reagan National Airport

1999 Jefferson Davis Highway

Arlington, Virginia 22202

Persons interested in registering for, or in obtaining more information about, this workshop should visit the following web site:

http://www.pi.energy.gov/enhancingGHGregistry/workshops.

The joint DOE/USDA workshop for Agriculture and Forestry will be held on May 5 at the following location:

USDA-APHIS Conference Center

4700 River Road, Riverdale, MD.

Persons interested in registering for this workshop or in obtaining more information about USDA's efforts to develop accounting rules and guidelines for forestry and agriculture should visit the following web site:

http://www.usda.gov/agency/oce/gcpo/greenhousegasreporting.htm

You may obtain electronic copies of this notice, the draft Technical Guidelines and other related documents, find additional information about the planned workshops, and review comments received by DOE and the workshop transcripts at the following website: http://www.pi.energy.gov/enhancingGHGregistry/. Those without internet access may access this information by visiting the DOE Freedom of Information Reading

Room, Rm. 1E-190, 1000 Independence Avenue, SW, Washington, DC, 202-586-3142, between the hours of 9 a.m. and 4 p.m., Monday to Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Mark Friedrichs, PI-40, Office of Policy and International Affairs, U.S. Department of Energy; 1000 Independence Ave., S.W., Washington, D.C. 20585, or e-mail: 1605bguidelines.comments@hq.doe.gov.

SUPPLEMENTARY INFORMATION:

I. Introduction.

Section 1605(b) of the Energy Policy Act of 1992 directed DOE, with the Energy Information Administration (EIA), to establish a voluntary reporting program and database on emissions of greenhouse gases, reductions of these gases, and carbon sequestration activities (42 U.S.C. 13385(b)). A specific purpose of the program is to enable the entities to report reductions of greenhouse gases. Section 1605(b) directs DOE to issue guidelines, after opportunity for public comment, that establish procedures for the voluntary reporting of specific greenhouse gas emissions information. In 1994, DOE issued General Guidelines and sector-specific guidelines, and EIA issued reporting forms, for the Voluntary Reporting of Greenhouse Gases Program.

On February 14, 2002, the President, as part of a larger initiative to address the issue of global climate change, directed the Secretary of Energy, in consultation with the Secretary of Commerce, the Secretary of Agriculture, and the Administrator of the Environmental Protection Agency, to propose improvements to the Voluntary Reporting of Greenhouse Gases Program. These improvements are to enhance measurement accuracy, reliability, and verifiability, working with and taking into account emerging domestic and international approaches.

On December 5, 2003, DOE proposed revised General Guidelines for the Voluntary Reporting of Greenhouse Gases Program and, simultaneously, announced that it intended to develop for public comment Technical Guidelines that would specify the methods and factors to be used in measuring and estimating greenhouse gas emissions, emission reductions, and carbon sequestration (68 FR 68204-05).

DOE is today making draft Technical Guidelines available for review and public comment. The draft Technical Guidelines complement and are inter-related with the interim final revised General Guidelines that DOE is publishing in the Rules and Regulations section of today's issue of the Federal Register. When issued as final, the revised General Guidelines and the Technical Guidelines, together with new reporting forms being developed by EIA, will fully implement the revised Voluntary Reporting of Greenhouse Gases Program.

The draft Technical Guidelines have three parts:

- Emissions Inventory Guidelines (Chapter 1), which includes detailed guidance on how to measure or estimate greenhouse gas emissions;
- Emission Reductions Guidelines (Chapter 2), which includes guidance on the selection and application of emission reduction calculation methods, including the establishment and modifications of base periods and base values; and
- Glossary, which defines terms used only in the Technical Guidelines and references the definitions in section 300.2 of the General Guidelines.

Components of the guidelines relevant for agriculture and forestry reporting have been shared with a selected set of evaluators with experience in greenhouse gas

mitigation technologies in agriculture and forestry. The evaluators' views on the technical components and operability of the draft Technical Guidelines as they relate to the agriculture and forestry sectors will be made available during the public review process.

II. Summary of Draft Technical Guidelines and Issues for Comment.

The following discussion summarizes the content of the draft Technical Guidelines and identifies key issues upon which DOE would like to focus public review and comment.

1. Emission Inventory Guidelines (Chapter 1)

The Inventory Chapter identifies and rates methods for estimating emissions and sequestration from a wide range of sources. These guidelines build on (and reference) several publicly available documents related to the development of emissions inventories. The Inventory Chapter consists of nine sections covering the major sources of greenhouse gas emissions: Overview; Collecting Information; Stationary Combustion; Transportation; Industrial Processes; Indirect Emissions; Engineered Sequestration; Agricultural Emissions and Sequestration; Forestry Emissions and Sequestration. The Agriculture and Forestry sections include technical appendices that can be found at the following website: http://www.usda.gov/oce/gcpo/greenhousegasreporting.

a. Emissions Rating System. As described in the preamble to the interim final General Guidelines (see section II. C. vi.), the emissions rating system ordinally rates estimation methods and is based on four criteria: accuracy, reliability, verifiability and practical application. The best available method is rated "A," and given a value of four points. The next best method is rated "B" and given a value of three points; the next best

rated "C" and given a value of two points; and the least accurate method rated "D" and given a value of 1 point. If a reporter is seeking to register reductions, the weighted average rating for emissions for the years used to calculate such reductions must be 3.0 or greater. Comments are invited regarding the ordinal rating system in general (including comparisons with other systems, such as a cardinal rating system); the appropriateness of the estimation methods specifically identified and their assigned ratings; and other methods not covered in the draft Technical Guidelines.

b. Alternative Inventory Methods. The revised General Guidelines require reporters to use methods described in the Draft Technical Guidelines, unless an alternative method has been specifically approved by the Department (see § 300.6(c) of the revised General Guidelines). If a reporter wishes to propose the use of a method that is not described in the Draft Technical Guidelines, the reporter must submit to DOE a description of the method, an explanation of how the method is implemented (including information requirements), and empirical evidence of the method's validity and accuracy.

c. Inventories of Indirect Energy. DOE believes that the indirect emissions reflected in entity inventories should reflect, where practicable, the average emissions rate of the power being purchased. Since the average emissions rates of electricity generation vary widely by region, Chapter 1 of the draft Technical Guidelines specifies that entities reporting inventories of indirect emissions associated with the purchase of electricity within the U.S. must use regional values specified by EIA that correspond to the average emission rates of power generated within each of the twelve North American Electricity Reliable Council regions. Comparable methods for determining the emission rates of non-U.S. power generation must be used to estimate the indirect emissions from

non-U.S. operations. If the entity's purchase contract specifies that the electricity supplied is from particular power generation sources, then it may use an emission coefficient that corresponds to these specific sources. However, entities should note that the emission reduction guidelines contained in Chapter 2 specify the use of a single emission coefficient for purchased electricity, based on the national average emissions rate for the electric sector as a whole. DOE believes that the national average emissions rate is a better indicator of the emission reductions resulting from reduced demand for electricity than are the regional values used in the development of emission inventories. This means that the indirect emissions associated with purchased electricity will differ depending on whether they are part of the entity's emissions inventory or emission reduction assessment. DOE specifically solicits comments on the effects of specifying the use of different emission coefficients for emission inventories and emission reductions.

One form of electricity demand, the losses associated with electricity transmission and distribution, is not explicitly addressed in the draft Technical Guidelines for emission inventories, although the emission reduction guidelines identify an action-specific method for calculating the emission reductions that result from reducing such losses. DOE solicits recommendations on appropriate methods for measuring or estimating such losses that would permit the associated emissions to be included in entity inventories.

2. Emission Reduction Guidelines (Chapter 2)

This chapter of the draft Technical Guidelines provides detailed guidance on the calculation of emission reductions as described in section 300.8 of the revised General Guidelines.

a. Choosing calculation methods and identifying subentities. The first step in the process of calculating emission reductions is the selection of the appropriate calculation method and the identification of the subentities, if necessary, depending on the number of calculation methods needed to capture the entity's total reductions. As entities change, it may be necessary to add or modify subentities. This part of the process is described in detail in section 2.2.3 of the Emission Reductions Guidelines.

The guidance on the selection of appropriate emission reduction calculation methods makes clear that the five methods identified in the revised General Guidelines usually have specific applications and are not generally interchangeable. Any entity that is using more than one method of calculating emission reductions must identify a distinct subentity for each method used. As entities change, it may be necessary to add or modify subentities, so this section also provides guidance on this process.

b. Base periods. The determination of emission reductions requires that current levels of emissions or some other measure be compared with a comparable measure for some previous year or time period of up to four years, referred to as the base period. Chapter 2 of the draft Technical Guidelines describes how to establish base periods and the circumstances under which they can be changed.

DOE permits this flexibility in defining the base period so that reporters can select the time period that is most representative of the actual past operations of the entity or subentity for which reductions are being estimated. However, DOE does limit this flexibility by requiring the last year of the base period to be the year immediately preceding the first year of reported reductions. Once established, the base period should remain fixed unless changes in the entity or its output require a change to the base period.

For entities that intend to register reductions, all initial base periods must end in the start year. This requirement will limit the ability of reporters to select a base period for which a particular subentity had the highest emissions or emissions intensity in order to maximize the amount of emission reductions.

Reporters are permitted to change the base period used to calculate reductions for an entity or subentity in a subsequent reporting year only under limited circumstances where there has been a fundamental change in the activity or structure of the entity or subentity.

Public comment is specifically solicited on the flexibility to set and modify base periods, as well as on limits to this flexibility, which are designed to reduce the likelihood that reporters will manipulate base periods in order to maximize emission reductions.

c. Base Values. A base value is the emissions level, emissions intensity or other value to which a comparable reporting year value is compared in order to calculate an emission reduction. A base value can be a historic emissions level, historic emissions intensity, carbon stock, benchmark emissions intensity or other quantity. The Emission Reduction Guidelines describe how to establish base values and the circumstances under which they can be changed.

DOE believes that base values should be derived from or be directly correlated to historic data to ensure that registered reductions represent real reductions relative to past emissions or emissions intensity levels. In some cases, the draft Technical Guidelines specify the use of a benchmark provided by DOE or calculated by the reporting entity according the DOE's guidelines. DOE solicits comment on whether or not reporters should be given the flexibility to establish base values that are more stringent than

(usually lower than) the base values derived from actual performance during the base period. While a more stringent base value would reduce the quantity of registered reductions for which an entity qualified, such flexibility would enable entities to use as the basis for calculating emission reductions an emissions intensity or technology threshold that might be more meaningful or relevant to their industry.

If the base value is based on historic conditions, it represents the emissions or emissions intensity in the base period of the entity or subentity as it is configured in the reporting year. The base value must be adjusted to reflect the acquisition and divestiture of business units and the insourcing and outsourcing of emissions-producing activities that has occurred since the base period. Such adjustments to the base value are necessary to ensure that the comparison between base period and reporting year emissions or emissions intensity is valid and the difference in emission or emissions intensity are not due to changes in the boundary of the entity or subentity. Without such adjustments, a reporter would be able to achieve a nominal reduction in emissions intensity by outsourcing an activity and related emissions sources contributing to the output of the entity or subentity. Likewise, a reporter could be penalized for insourcing emissions-producing activities that it previously purchased from outside sources.

Public comment is solicited on the flexibility to set and modify base values, as well as on limits to this flexibility, which are designed to reduce the likelihood that reporters will manipulate base periods in order to maximize emission reductions.

d. Method-specific guidance. The Emission Reduction Guidelines provide detailed guidance for each of the five calculation methods identified in section 300.8 of the revised General Guidelines.

i. Emissions intensity. This section of the draft Technical Guidelines provides detailed guidance on the use of emission intensity methods to calculate emission reductions.

Greenhouse gas intensity metrics, which measure improvements in emission intensity independent of economic growth or growth in production, use either a physical or an economic value for the denominator. The draft Technical Guidelines provide a list of criteria to assist reporters in selecting output metrics.

A number of trade associations and manufacturers were interviewed to test their comfort with physical metrics, and any desire to use composites or indices. Based on their responses, and comments from stakeholders at workshops and in writing, DOE has decided to urge the use of physical metrics; however, in some cases the use of physical metrics becomes increasingly difficult and the use of economic metrics may be an appropriate alternative... Section 2.4.1.1 of the draft Technical Guidelines lists acceptable measures of physical output to assist potential reporters. Public comment is specifically solicited on this list and the need for additional efforts to standardize the definition and application of output metrics.

ii. Absolute emissions. The change in absolute emissions method for calculating reductions compares an entity's current (reduction year) emissions with its emissions in the base period. However, when using this method, entities must demonstrate that any emission reductions have not been caused by reductions in the entity's output. This

section of the draft Technical Guidelines provides further guidance on how to calculate emission reductions using this method.

To demonstrate that its output has not declined, a reporting entity must identify a physical or economic measure of the entity's activity that can serve as a sufficiently credible proxy for output. The relationship between this activity measure and entity output needs to be sufficiently close to indicate the direction of the change in activity. The draft guidelines describe some of the acceptable activity measures that might be used for this purpose.

Base period emissions used to calculate changes in absolute emissions must be adjusted to reflect boundary changes, including acquisition and divestiture of emission sources and outsourcing or insourcing of emissions-producing activities that existed during the base period. Base period emissions may include emissions from sources that are no longer emitting in the reduction year. However, no adjustment may be made to base period emissions resulting from the addition of new emissions sources unless the reporter can demonstrate that the addition of this source represents the insourcing or acquisition of an activity previously conducted by another entity, rather than the expansion of the existing activity of the entity (also referred to as organic growth).

This approach to calculating emission reductions from changes in absolute emissions is similar to the approach specified in the Greenhouse Gas Protocol developed by WRI/WBCSD, with the proviso that this method cannot be used if the entity's output has declined during the reporting period.

iii. Avoided emissions. Only entities or subentities that do not have emissions in their chosen base period may rely exclusively on the method specified in the Draft

Technical Guidelines for calculating avoided emissions. Most entities that generate and export (sell) electricity, heat or hot/chilled water must use either changes in absolute emissions or a method that combines the consideration of changes in emissions intensity and changes in avoided emissions, which is described below and in section 2.4.6 of the draft Technical Guidelines.

Avoided Emission Benchmarks and Indirect Emission Coefficients. The draft Technical Guidelines specify various benchmarks that must be used in the calculation of reductions associated with avoided emissions. For electricity, the draft Technical Guidelines explain that an avoided emissions benchmark will be specified by EIA based on the average emissions intensity of the U.S. electric sector. Comparable benchmarks must be used by entities when reporting emissions reductions generated outside the United States. During the development of the draft Technical Guidelines, a number of alternative methods for establishing such benchmarks were considered. In theory, such benchmarks should approximate the emissions being displaced by the incremental generation of power from low or no emitting sources. However, there is no accepted methodology for identifying such marginal emissions. Various possible methods were explored, but none yielded values that were considered more reliable or useful than the U.S. average emissions intensity value ultimately included in the draft Technical Guidelines. DOE specifically solicits comments on the selection of this benchmark value and the related benchmarks described in the draft Technical Guidelines.

iv. Carbon storage. DOE received comments proposing up-front registration of forest carbon sequestration. Forestry projects generally have high up-front costs with carbon sequestration benefits that accumulate gradually over long time frames. High

initial costs coupled with delayed benefits may discourage forestry projects as well as other similar long-term investments. Up-front registration may over- or under-estimate actual sequestration over the lifetime of a project because it is based on estimated actions and timelines. DOE has decided not to adopt the proposed up-front registration of forest sequestration. DOE solicits additional comments on including provisions that would allow early recognition of long term carbon sequestration benefits.

The draft Technical Guidelines describe the procedures that should be followed to calculate annual volumes of reductions associated with increases in carbon stocks.

(1) Reductions from increases in terrestrial carbon stocks (forest, agriculture, rangelands). The terrestrial carbon pools described in the draft Technical Guidelines include forest trees, forest under-story, forest dead and downed wood (on-site), forest floor, forest soils, agricultural soils, range soils, and grazing land soils. .Absolute increases in terrestrial carbon stocks can contribute to an entity's registered reductions. In addition, the draft Technical Guidelines specify how reductions associated with these pools should be treated when the reported lands are sold, purchased, converted to other uses, certified as sustainably managed, considered incidental lands, or affected by a natural disturbance.

Carbon losses associated with natural disturbance are generally beyond the control of landowners. In the interest of not penalizing entities for such uncontrollable losses, DOE has included the following provision for accounting for natural disturbance in emission reductions calculations in the draft Technical Guidelines:

> Entities that experience natural disturbance such as wildfire, pests, or extreme weather, can choose to separately account for the carbon stock losses associated with these natural phenomena. In this case, entities will report the disturbance-associated carbon stock changes as a separate item in their terrestrial carbon stock

inventory; however, they will not include the carbon stock changes in their calculation of reductions. Entities will continue to track carbon stocks on the identified land in their inventory. Until the carbon stocks return to pre-disturbance levels, carbon fluxes on lands that have undergone disturbances cannot be included in calculating reductions.

(2) Reductions from increases in carbon stored in wood products. Significant quantities of carbon harvested from forest systems can be stored for long periods in the form of wood products or in materials deposited in landfills. Entities reporting changes in terrestrial carbon can include the expected storage of carbon in the wood products pool in their estimates of annual carbon stock changes. The draft Technical Guidelines describe two approaches for estimating the amount of carbon stored in the wood products pool. Entities may estimate the decay of materials stored in wood products over time and account for the carbon stock losses in the year in which they occur. Alternatively, entities may calculate the amount of carbon expected to remain in products and landfills after a 100-year period and include this amount in their terrestrial carbon stock inventory. The latter approach is intended to limit the complexity associated with tracking annual decay rates in the wood products pool. Recognizing that the simpler approach uses a 100-year time frame and does not reflect actual annual fluctuations in carbon storage, the method is included with the understanding that it cannot over-estimate carbon stored in wood products. Public comments on this option are specifically solicited.

(3) Reductions from the preservation of existing carbon stocks. Actions to legally protect existing terrestrial carbon stocks can result in emissions of greenhouse gases being avoided. While it is difficult to know with certainty if or when carbon that is currently stored in terrestrial systems will be released in the future, it is probable that actions to ensure the protection of existing stocks will result in greenhouse gas benefits in

the future. As a consequence, the 1605(b) program would allow entities to register reductions associated with actions taken to protect existing terrestrial carbon stocks, equivalent to 1/100th of the start year carbon stocks in each reporting year. This provision requires an entity to document the action and follow the draft Technical Guidelines for estimating and reporting annual carbon stocks on legally protected lands.

v. Action-specific**.** There are a number of circumstances under which reporters may undertake specific actions (often referred to as "projects") that yield emission reductions that cannot be quantified using any of the other measurement or estimation methods provided for in the guidelines. In such cases, reporting entities would have to follow the guidance provided in section 2.4.5 of the draft Technical Guidelines.

There are a number of action-specific reductions that do not allow reporters to develop an estimate of base-year emissions based on an extant technology or process and base-year activity levels. DOE has provided guidance in the draft Technical Guidelines for a limited positive list of such action-specific reductions (see section 2.4.5.6). This positive list of actions includes: coalmine degasification; landfill methane recovery; transmission and distribution improvements; and geologic sequestration.

DOE solicits recommendations on other specific actions for which guidance should be provided.

There are other actions that have been reported to the current Voluntary Reporting of Greenhouse Gas Program that will not be eligible for registration as action-specific reductions. In some cases they might be reported as "offsets" under the revised guidelines, if the reporting entity enters into an agreement with the entity directly responsible for the reductions. In circumstances where no such agreement is feasible, the

reduction would not qualify for registration. These actions typically fall within one of three categories:

— They result in avoided emissions from activities other than energy supply (increased use of less emissions intensive materials in manufactured products);

— They result in reduced emissions from highly diffuse sources (public education related to energy conservation); or

— The location and ownership of resulting reductions is impossible to determine (retail sales of discounted compact fluorescent bulbs).

Actions that often fall into these categories include: utility-sponsored DSM programs; manufacturer improvement in the energy efficiency of products; employee commuting reduction; coal ash reuse; halogenated substance substitution; and materials recycling/source reductions. DOE seeks comment on the practicality of reporting these actions directly or as offsets, and suggestions on estimation methods that would mitigate the constraints identified above and allow reductions from a broader range of such actions to be reported. In particular, DOE is open to future consideration of practical methods, consistent with the structure and objectives of the revised guidelines, to enable manufacturers of more energy efficient products to register the emission reductions resulting from the use of these products. DOE recognizes that product manufacturers often play an important role in accelerating the introduction of new, more energy efficient technologies, and that the revised guidelines might be designed to enable such manufacturers to register such emission reductions under certain circumstances. In theory, such reductions might be reported as offsets, but this would require an agreement between the manufacturer and the end-user, and the reporting requirements contained in

the revised guidelines would likely discourage such arrangements. Further, some of the improvements in product efficiency are mandated by Federal law.

vi. Estimating Reductions Associated with Energy Exports. Entities that export (sell) electricity, steam or hot/chilled water and have emissions in their base period must calculate emission reductions using either changes in absolute emission reductions or a method that combines the consideration of changes in emissions intensity and avoided emissions. This combined method, described below and in section 2.4.6 of the draft Technical Guidelines, takes into account the effects of a wide range of actions that generators can take to reduce the emissions intensity of the generating sector. These actions can be categorized into two main types: (1) those that reduce the emissions intensity of a generator's own, existing capacity, and (2) those that decrease generation from other, high-emissions intensity generators. DOE assessed the following four options for estimating the emission reductions in this sector in order to compare their ability to recognize reductions from both types of actions, and their tendency to favor or disadvantage generators according to their historical emissions rate. The four options were:

(1) Average Intensity: Reductions would be calculated from the change in entity-wide, average emissions intensity from the base period to the reporting year.

(2) Plant-by-Plant: Reductions would be calculated separately for each plant, either from changes in the emissions intensity of existing plants from the base period to the reporting year or from the emissions intensity of new plants compared to the emission intensity of a "benchmark" emissions intensity value.

(3) Existing and New Plants: Reductions would be calculated from the change in the average emissions intensity of existing plants from the base period to the reporting year; new plants would qualify for reductions if their emissions intensity was below a "benchmark"' value.

(4) Base and Incremental Generation: Reductions would be calculated from entity-wide, average emissions intensity calculated in two parts. For quantities of power that are equal to or less than the quantity generated in the base period, the emissions intensity value would be entity's average for its base period. For quantities in excess of the base period generated, the average emissions intensity would be the "benchmark" value.

For all four methods, emissions reductions are calculated by multiplying the difference between the appropriate base period and reporting year generation intensity values (CO_2/MWh) by the reporting year generation (MWh).

Following analysis and review, DOE concluded that Method 4 best serves the purposes of the program. Method 1 allows high emitting entities to register reductions for actions that do not reduce the emissions intensity of the power sector on the whole, while making it very difficult for low emitting entities to register reductions, even if they were taking actions that did reduce the emissions intensity of the power sector as a whole. Method 2 would not capture reductions for certain actions that do lead to sector-wide reductions, including shifting load to lower-emitting generators. Method 4 is preferable to Method 3 in that is able to recognize the benefits of a broader range of load shifting actions and tends to treat generators with substantially different characteristics more 'equitably'; increased generation output, for instance, is compared to the benchmark

value regardless of whether it is from new capacity or increased output from existing generation. DOE solicits public comment on its selection of Method 4, Base and Incremental Generation, as the preferred method.

Combined Heat and Power (CHP), and Thermal Energy Generators. Some energy generators distribute heating and/or cooling to multiple end users, either exclusively or in addition to electric power.

Reductions from CHP or district heating/cooling systems are to be calculated using the same basic method specified for electricity generators, although reductions associated with electricity generation and with thermal generation must be calculated separately. Appropriate thermal energy benchmarks are to be specified by EIA or calculated by reporters according to guidelines provided by DOE. This approach would enable CHP and thermal energy generators to obtain recognition for reductions that result from a broad range of different actions, including increased generation (since most CHP plants are more efficient than conventional power and heat generation), fuel substitution or improved system performance.

III. Public Workshop

A public workshop will be held to receive comment on all elements of the draft Technical Guidelines, as well as interim final General Guidelines that DOE is publishing in the Rules and Regulations section of today's issue of the Federal Register. DOE invites any person who has an interest in the draft Technical Guidelines and revised General Guidelines to participate in this workshop. Because space is limited, persons wishing to participate in the workshop should inform DOE by identifying the person or persons likely to attend, an e-mail or phone number for follow-up contacts, and providing

a brief description of the specific issues of particular interest. This information may be provided electronically at the following website: http://www.pi.energy.gov/enhancingGHGregistry/draftTechnicalGuidelines.html or may be provided in writing to the person listed in the beginning of this notice.

DOE will designate a DOE official to preside at the workshop, and may also use a professional facilitator to facilitate discussion. The workshop will not be conducted under formal rules governing judicial or evidentiary-type proceedings, but DOE reserves the right to establish procedures governing the conduct of the workshop. The workshop will be organized so as to encourage the open discussion of specific issues by the range of stakeholders and government representatives present. Prior to the workshop a draft agenda, identifying specific issues for discussion, will be made available at the following website: http://www.pi.energy.gov/enhancingGHGregistry/draftTechnicalGuidelines.html. There will also be opportunities during the workshop for the identification and discussion of issues not specifically identified on the agenda. The presiding official will announce any further procedural rules, or modification of the above procedures, needed for the proper conduct of the workshop. Statements for the record of the workshop will be accepted at the workshop.

Joint DOE/USDA Workshop

DOE and USDA invite persons interested in the draft Technical Guidelines for Agriculture and Forestry and related revised General Guidelines to participate in this workshop. The workshop will provide an overview of the draft technical guidelines for agriculture and forestry sources and sinks, opportunities to ask questions about the

proposed methods, and opportunities to discuss specific issues. Persons interested in registering for the meetings or in obtaining more information about USDA's efforts to develop accounting rules and guidelines for forestry and agriculture should visit the following web site: http://www.usda.gov/agency/oce/gcpo/greenhousegasreporting.htm

The website will also be used to make available draft and final meeting agendas, information on lodging, or other information made available before the meetings. Inquiries regarding the logistics for this meeting may be e-mailed to sharon_barcellos@grad.usda.gov.

IV. Forms

EIA, which is responsible for the operation of the 1605(b) program, is preparing a set of draft forms for reporting under the revised guidelines. Pursuant to the Paperwork Reduction Act of 1995, EIA plans to issue a Federal Register notice soliciting public comment on these draft forms as soon as practicable and to complete the comment review, and revisions resulting from that review, before the effective date of the guidelines.

Issued in Washington, DC, on March 16, 2005

_____

Karen A. Harbert

Assistant Secretary for Policy and International Affairs